



Memorandum

To: Chair & Trustees of the Authority

From: Micheal Sanchez, Interim Finance Director

Date: June 16, 2026

Re: **JAA Resolution 96**

During the June 02, 2020, Jenks Public Works Authority ("Authority") meeting, the Authority authorized the sale of revenue bonds ("JPWA Refunding Revenue Bonds, Series 2020") by the Authority. Those tax-exempt bonds were issued on August 28, 2020, for the purpose of water meter improvements. Based on the tax-exempt status of the bonds, the bonds were subject to arbitrage regulations by the U.S. government. These regulations stipulate that any profit above the restricted yield on the bonds must be related to the Internal Revenue Service ("IRS"). Any applicable rebate payments are generally required to be made at least every five years. The five-year period for these bonds occurred on August 28, 2025.

Due to the increase in interest rates over the last several years, the Authority has been able to receive higher interest income and dividends on the monies that have been held for the intended purpose of the bonds. Therefore, the Authority has an arbitrage rebate payment due to the IRS in the amount \$46,541.30. This amount is due to the excess profit that the Authority has received previously. This does not affect any of the proceeds of the bonds that the Authority received originally. All those monies have been or will be expended for the water meter improvements.

This rebate payment was not originally budgeted during the fiscal year 2025-2026 budget, so it is necessary for the authorization of the expenditure and the approval of a budget appropriation to cover the rebate payment for this fiscal year. The budget appropriation will come from the interest earnings of fund 50 – JPWA Operating Funds.

Staff recommends authorization of the rebate payment and approval of this budget appropriation resolution.